March 3, 2008
AMEC Proposal No. PN08-2-11

Nevada Division of Environmental Protection
901 South Stewart Street, Suite 4001
Carson City, Nevada 89701

Attention: **Ms. Lisa Johnson**
Environmental Scientist

Re: **STATEMENT OF WORK**
Underground Storage Tanks Removal
1405 Oliver Street
Reno, Washoe County, Nevada

Dear Ms. Johnson:

The following presents AMEC Earth & Environmental, Inc.'s (AMEC's) scope of work, schedule and fees to assist the Nevada Division of Environmental Protection (NDEP) Brownfields Program (the Program) with removal of two underground storage tanks (USTs) at the referenced location. Our proposed scope of work is based on our review of a Phase I Environmental Site Assessment, dated June 11, 2007, prepared by MACTEC Engineering and Consulting, Inc., for the City of Reno. AMEC received and reviewed the application for Brownfield assistance prepared by the City of Reno and submitted to NDEP. AMEC also attended a meeting with representatives of the City of Reno, the Program and the Nevada Petroleum Fund (NPF) at the NDEP office in Carson City on February 21, 2008. The purpose of this meeting was to discuss the project work scope, the funding by the Program, and the availability of NPF reimbursement funding if a petroleum release is found.

1. SCOPE OF WORK

1.1 Background and Project Description

1.1.1 Background

orphan tank -

The Program has requested that AMEC assist with the removal of two USTs at the referenced property so the site may be redeveloped by the City of Reno. The site was used as a gas station and food store (Mini-Mart #1) from 1967 to about 1972, and miscellaneous non-food, non-fuel businesses thereafter. The site still contains two USTs, product piping, fuel island slab and vent lines. The dispensers are no longer present. Based on a brief visual inspection of the UST fill ports, each UST appears to be full of fuel, and the fuel appears to be gasoline. However, the size of the USTs and the actual volume of fuel could not be determined. It is estimated that each UST volume is either 5,000 or 10,000 gallons.

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The Program will cover the costs of the removal of the USTs. Portions of the costs of assessment and remediation of a petroleum release is anticipated to be eligible for reimbursement by the NPF to the City of Reno.

1.1.2 Project Description

We anticipate three separate phases to the project as outlined below:

- Phase 1: Preliminary Removal Activities
- Phase 2: Removal of USTs
- Phase 3: Technical Memorandum/Scope of Work

It is understood that, excepting soil sample analyses, the cost of removal of the USTs, the product piping, the fuel island slab and the vent lines, disposal of the UST contents and non-contaminated wastes, and restoration of the site will be covered by the Program. AMEC, as an approved Brownfields Program contractor, will contract with the Program to oversee these activities. The services will be conducted and/or overseen by a Nevada Certified Environmental Manager (CEM). AMEC provides the Program this statement of work for these services.

In the event a release of petroleum is discovered during UST removal, the subsequent assessment and abatement may be eligible for reimbursement of approved costs from the NPF. AMEC will contract with the City of Reno to oversee these activities.

The work scopes for the City of Reno and for the Program will be performed concurrently, and AMEC will track the effort and costs separately.

1.1.3 Subcontractors and Bids

Preliminary bid have been acquired from BRAMCo Construction of Sparks Nevada, a Nevada certified tank handler, from Lawrence Tank testing of Downieville, California, a Nevada certified tank tightness tester, and from Nevada Underground Location, of Carson City, Nevada. . The bid specifications include:

BRAMCO

- Provide USA notification for utilities;
- Remove of two 10,000-gallon USTs and contents, assumed full of gasoline; product lines, vent lines and fuel island slab;
- Restore the excavations with imported gravel, compacted aggregate and new asphalt (product lines and dispenser slab area); and
- Dispose of various waste materials.

Lawrence

- Test two 10,000-gallon USTs for tightness, with the assumption that the tanks are accessible via the fill ports and that sufficient fuel volume is present.

NUL

- Evaluate the size of the USTs and locate all accessible site utilities

2. TANK REMOVALS

2.1 Phase 1: Preliminary Removal Activities

2.1.1 Task 1: UST Size Assessment and Utility Location

To focus the removal costs and requirements, and to enhance the project safety, the USTs will be assessed for contents and size, and the site will be assessed for underground utilities. It is currently estimated that the USTs may be as large as 10, 000 gallons in capacity, and each appears to contain gasoline. The USTs will be further assessed by retaining a geophysical specialist, Nevada Underground Location (NUL) of Carson City. NUL will assess the approximate width and length dimensions of each tank, and search the site for underground utilities. NUL will mark the outline of the tanks at the surface with paint, as well as the approximate locations of all underground utilities.

2.1.2 Task 2: Tank Tightness Testing and NPF Enrollment

– Can we eliminate this + enroll in PF?

For enrollment in the NPF, a UST must be 'tight' as determined by a 'tightness test' conducted by a Nevada certified tank tester. This provides the presumption that the UST has not significantly leaked. If the UST fails the tightness test, it will not be accepted into the NPF and remedial costs will not eligible for any reimbursements from the NPF.

AMEC will coordinate the testing of the two USTs by retaining the services of a Nevada certified tank tightness tester. It is assumed that the tanks are sufficiently full of fuel (at least 70%) to conduct the testing without the addition of additional fuel that the tanks are properly accessible to the test equipment. The need to add fuel to the minimum level would be a cost outside of this statement of work and attached budget. The need to access the top of the USTs before tightness testing would require a separate task and mobilization by the tank removal contractor.

With a passing test, AMEC will prepare the paperwork for the UST to be enrolled in the NPF by submitting an application signed by a representative of the City of Reno (as property and tank owner), the test certificate and the fees of $100 per UST.

2.1.3 Task 3: Health and Safety Plan

AMEC will prepare a Health and Safety Plan (HASP) for the overall project as part of this phase of work. The HASP will cover all the work to be performed in the process of completing the three phases listed above.

2.2 Phase 2: Removal of USTs

2.2.1 Task 1: Removal of USTs and Site Restoration

The contractor will remove the USTs according to the following protocol:

- Remove the liquid contents of the USTs (up to 21,000 gallons), and appropriately label, transport and dispose of said contents;
- Triple rinse the USTs and appropriately label, transport and dispose of said rinsate (up to 600 gallons);
- Uncover the USTs by removing overlying soil sufficient to access the UST tops;
- Inert the tanks to minimize internal flammable vapor build-up and the potential for ignition;
- Monitor UST interiors for fuel vapor concentration;
- Excavate soil from around the USTs sufficient to remove them;
- Remove, transport and dispose of the USTs via recycling (up to 10,000 gallon capacity, each);
- Excavate and remove the product piping between the USTs and the former fuel island (up to 160 linear feet), and remove and dispose of the concrete fuel island pad;
- Excavate and remove the UST vents (up to 60 linear feet);
- Stockpile and cover with plastic excavated soil on-site for subsequent disposal;
- Assist the CEM in obtaining soil samples for analysis from beneath each UST and from each excavated area to document the condition of the underlying soil;
- Transport and dispose of non-contaminated wastes (soil, asphalt and concrete) at Lockwood Landfill as standard construction waste;
- Restore the various excavations by placing gravel from total depth to 4 feet below site grade, then placing aggregate base from four feet below grade to site grade;
- Conduct equipment-only compaction on the aggregate base; replace asphalt on the product piping and fuel island excavated areas; and restore the UST and vent pipe excavation areas to the pre-existing soil surface;
- Provide security fencing around the work site, and additional security fencing around the UST excavation.

It is assumed that sludge in the UST bottoms will not be encountered in sufficient volume to require separate removal and disposal, and that it can be managed as part of the UST. The site will have a perimeter work-area fence and a second one around the open UST excavation. Contractor will de-mobilize equipment from the site at the end of each working day. AMEC personnel will monitor soil during excavation for evidence of petroleum in soil, and to assist in segregating clean soil from contaminated soil.

2.3 Phase 3: Technical Memorandum

AMEC will prepare a technical memorandum that summarizes the work performed and provides the results of UST removals. Selected, applicable photographs will be attached. Conclusions will be provided regarding any residual contamination and risk to human health and the environment. Recommendations will be provided regarding further assessment, remediation and/or closure, and funding through the Nevada Brownfields Program should site conditions be such that these actions are not eligible for reimbursement, in whole in part, under the NPF.

3. SUBCONTRACTORS

Subcontractors include Nevada Underground Location for utility location services, and BRAMCo Construction for UST removals, restoration and waste management.

4. SCHEDULE

We foresee this phase of work requiring 8 to 12 weeks to complete from notice to proceed to preparation of the technical memorandum.

5. FEE

We estimate the following costs:

Phase 1: Preliminary Removal Activities

Task 1: UST Size Assessment and Utility Location	$2,329.80
Task 2: Tank Tightness Testing and NPF Enrollment	$3,768.52
Task 3: Health and Safety Plan	$3,095.64
Phase 1 Total	**$9,193.96**

Phase 2: Removal of USTs

Task 1: Removal of USTs and Site Restoration	
BRAMCO-Two 10,000-gallon UST	$48,447.00
CEM Services	$7,579.10
Phase 2 Total	**$56,026.10**
Phase 3: Technical Memorandum	**$4,649.06**
Estimated Project Total	**$69,869.12**

A detailed accounting of costs is provided on the attached spreadsheets. The higher cost of two 10,000-gallon USTs is included in the estimated project total for budgeting purposes. Actual disposal/treatment costs may vary based on actual volume of the USTs and contents.

6. CLOSING

Upon your acceptance of this document, we understand that we will receive a notice to proceed. This notice to proceed will reference our agreement with NDEP and this document will be attached as reference. We look forward to serving you and thank you for your initial trust in us to deliver this project to the City of Reno and the local community.

Respectfully submitted,

AMEC Earth & Environmental, Inc.

Brett Whitford, C.E.M.
Environmental Services Manager

Reviewed by,

John Dyer, C.E.M.
Senior Project Manager

BW/JD/mm

Enclosures

c: Jody Royal-Goodwin, City of Reno Redevelopment Agency

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Proposal Budget

Phase 1 Task 1 UST Sizing and Utilities (BP)

Labor	Phase/Task	Rate		Units	Cost
Principal		$ 145.93	/hour		
Senior Associate		$ 161.10	/hour	2	$322.20
Associate		$ 133.46	/hour	6	$800.76
Senior Project Manager		$ 103.27	/hour	4	$413.08
Project manager		$ 83.59	/hour		
Staff		$ 70.19	/hour		
Technician		$ 43.84	/hour		
Clerical		$ 49.64	/hour	4	$198.56
					$1,734.60

Outside Services - direct costs

NUL	$ 125.00	hour	4	$575.00

Lab Services AMEC — Method

Expendable Supplies

Vehicle, 2WD		/day		
Vehicle, 4WD		/day		
Miles	$ 40.00	/mile	0.505	$20.20
Per diem		/day		
PID or OVA		/day		
Temp/pH/Conductivity Meter		/day		
Water Level Indicator		/day		
Generator		/day		
materials and supplies				
				$20.20
	Total			**$2,329.80**

Proposal Budget

Phase 1 Task 2 Tank Tightness Tests, NPF Enrollment (BP)

Labor	Phase/Task	Rate		Units	Cost
Principal		$ 145.93	/hour		
Senior Associate		$ 161.10	/hour	4	$644.40
Associate		$ 133.46	/hour	16	$2,135.36
Senior Project Manager		$ 103.27	/hour		
Project manager		$ 83.59	/hour		
Staff		$ 70.19	/hour		
Technician		$ 43.84	/hour		
Clerical		$ 49.64	/hour	4	$198.56
					$2,978.32

Outside Services - direct costs

Lawrence	$ 350.00	tank	2	$770.00

Lab Services AMEC	Method				

Expendable Supplies

Vehicle, 2WD		/day		
Vehicle, 4WD		/day		
Miles	$ 40.00	/mile	0.505	$20.20
Per diem		/day		
PID or OVA		/day		
Temp/pH/Conductivity Meter		/day		
Water Level Indicator		/day		
Generator		/day		
materials and supplies				
				$20.20
	Total			**$3,768.52**

Proposal Budget

Phase 1 Task 3 Health and Safety Plan (BP)

Labor	Phase/Task	Rate		Units	Cost
Principal		$ 145.93	/hour		
Senior Associate		$ 161.10	/hour		
Associate		$ 133.46	/hour	4	$533.84
Senior Project Manager		$ 103.27	/hour	20	$2,065.40
Project manager		$ 83.59	/hour		
Staff		$ 70.19	/hour		
Technician		$ 43.84	/hour		
Clerical		$ 49.64	/hour	10	$496.40
					$3,095.64

Outside Services - direct costs

Lab Services AMEC	Method				

Expendable Supplies

	Total			**$3,095.64**

Proposal Budget

PHASE 2 Task 1 UST Removals (BP)

Labor	Phase/Task	Rate		Units	Cost
Principal		$ 145.93	/hour		
Senior Associate		$ 161.10	/hour	6	$966.60
Associate		$ 133.46	/hour	32	$4,270.72
Senior Project Manager		$ 103.27	/hour	8	$826.16
Project manager		$ 83.59	/hour	8	$668.72
Staff (trans, CN tanks, vats, drums)		$ 70.19	/hour		
Technician		$ 43.84	/hour		
Clerical		$ 49.64	/hour	10	$496.40
Expert Witness		$ 133.46	/hour		
Staff		$ 70.19	/hour		
					$7,228.60

Outside Services - direct costs

BRAMCO		LS		$48,447.00
				$48,447.00

Lab Services - WET Lab-Direct	Method				

Expendable Supplies				
Vehicle, 2WD		/day		
Vehicle, 4WD		/day		
Miles	$ 100.00	/mile	0.505	$50.50
Per diem		/day		
PID or OVA	$200	/day	1	$200.00
Temp/pH/Conductivity Meter		/day		
Water Level Indicator		/day		
Generator		/day		
materials and supplies	$100	day	1	$100.00
				$350.50
	Total			**$56,026.10**

Proposal Budget

Phase 3 Tech Memo (BP)

Labor	Phase/Task	Rate		Units	Cost
Principal		$ 145.93	/hour	2	$291.86
Senior Associate		$ 161.10	/hour	4	$644.40
Associate		$ 133.46	/hour	8	$1,067.68
Senior Project Manager		$ 103.27	/hour	16	$1,652.32
Project manager		$ 83.59	/hour		
Staff		$ 70.19	/hour		
Technician		$ 43.84	/hour		
Clerical		$ 49.64	/hour	20	$992.80
					$4,649.06

Outside Services - direct costs

Lab Services AMEC	Method				

Expendable Supplies

Vehicle, 2WD		/day		
Vehicle, 4WD		/day		
Miles		/mile		
Per diem		/day		
PID or OVA		/day		
Temp/pH/Conductivity Meter		/day		
Water Level Indicator		/day		
Generator		/day		
materials and supplies				
	Total			**$4,649.06**